Ministry of
Finance

2003/04
Annual Service Plan Report

BRITISH
COLUMBIA

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Ministry of Finance:
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Table of Contents

Accountability Statement 5

Message from the Minister 7

Message from the Deputy Minister 9

Year-at-a-Glance Highlights 11

Ministry Role and Services 13

Performance Reporting 26

Report on Resources 53

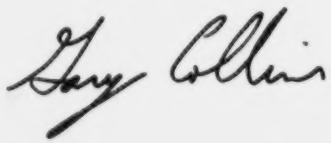
Appendix 1: Performance-at-a-Glance 55

Appendix 2: Statutory Responsibilities 57

Appendix 3: Supplementary Performance Information 59

Accountability Statement

The 2003/04 Ministry of Finance Annual Service Plan Report was prepared under my direction and in accordance with the *Budget Transparency and Accountability Act*. This report compares the actual results to the expected results identified in the ministry's 2003/04 Service Plan. I am accountable for the ministry's results and the basis on which they have been reported.



Honourable Gary Collins
Minister of Finance

June 23, 2004

BRITISH COLUMBIA

Ministry of Finance

Fiscal 2003/2004 was a year of tremendous achievement by ministry staff. They helped government keep its fiscal plan on track during a time of change and challenge. It was a year when an important transformation was taking place in the way British Columbia reports on its finances, and a year when the province faced a series of unforeseen economic shocks.

SARS slowed tourism. "Mad Cow" disease hurt the cattle industry. The pine beetle infestation spread further in B.C.'s forests. The province endured the worst forest fire season on record, followed by severe flooding in the fall. There was a much larger than expected drop in federal equalization revenue.

Our resilient fiscal plan enabled us to absorb these shocks and still fulfill a key *New Era* commitment: introducing a balanced budget in February 2004 for fiscal 2004/2005. We also followed through on our promise to bring more transparency and accountability to government finances by moving to full compliance with Generally Accepted Accounting Principles and bringing the schools, universities, colleges, and health sector into government's reporting entity. As a result, taxpayers and investors now have a much more comprehensive picture of government's books.

We also introduced several legislative changes that support economic growth in British Columbia. The new *Business Corporations Act*, which came into force at the end of the fiscal year, reduces red tape and makes it easier for investors to do business in B.C. A tax relief initiative targeted at port operators protects vital west coast transportation infrastructure by helping ports compete with their U.S. counterparts. A tax exemption for manufactured penstock equipment for small hydro-electric projects will stimulate economic development and encourage new sources of clean energy. Regulations governing credit unions were modernized to benefit consumers.

This year, thanks to continued efforts to streamline and consolidate administrative procedures in the ministry, we removed unnecessary regulations. Over the past year, the ministry exceeded the year's deregulation target of 25 per cent by almost seven percentage points, bringing the ministry's deregulation reduction to 32 per cent since June of 2001.

There are signs that our commitment to revitalizing the economy is paying off. Preliminary estimates by Statistics Canada show that B.C.'s economic growth outpaced the national average in 2003 and exceeded government and private forecasts — a signal of increasing confidence in the province's economy. Two major international ratings agencies improved the province's debt rating outlook, and noted government's efforts to control spending and

reduce the deficit. Investors, banks, and industry associations have encouraged us to stay the course in order to create even more opportunities for British Columbians.

I want to acknowledge the dedication and expertise of all ministry staff in helping to achieve our goals. I thank them for their hard work and support, and look forward to working with them in the future as we continue to deliver on our commitment to sound fiscal management and open and accountable financial reporting.

Honourable Gary Collins
Minister of Finance

June 23, 2004

Message from the Deputy Minister

The Ministry made a number of important changes this past year to strengthen financial management, increase accountability, and help restore British Columbia as an economic leader in Canada.

We introduced a balanced budget for 2004/05, took steps to meet full compliance with Generally Accepted Accounting Principles, modernized financial management processes, extended the mandate of government's Accounting Policy Advisory Committee, and continued our focus on multiple-year budget plans and outcome performance measures across government. These actions, coupled with our continued work on integrating planning and budgeting, support government's long-term strategy for accountable and responsible management of taxpayer dollars.

The achievements would not have been possible without the hard work of the Finance team who are leaders within the public service.

I have a deep appreciation for all my colleagues who have demonstrated great dedication and professionalism to bring about the achievements of 2003/04. It has been an honour to work with them over the last three years and I look forward to our further successes.

Paul Taylor
Deputy Minister and Secretary to Treasury Board

Year-at-a-Glance Highlights

Over the course of the last year, the Ministry of Finance has achieved a number of significant accomplishments many of which were anticipated in our 2003/04 service plan. Each of the following achievements provide an indication of the ministry's progress in realizing its mandate:

Fiscal Stewardship

- Oversaw the development of a balanced budget for 2004/05 that is sustainable, transparent and sets the province on a course to renewed prosperity.
- Managed government's adherence to its three-year fiscal plan despite natural disasters and a global economic slowdown thereby ensuring that significant increases to health care spending were delivered and that investments in student achievement and other vital services were maintained. Due to close collaboration between the Ministry of Finance and its partners the provincial deficit for 2003/04 was $1.339 billion, $961 million lower than originally forecast.
- Introduced additional tax reductions to improve competitiveness, including property tax reductions for the province's ports, incentives for new media, digital animation and special effects, as well as an expanded venture capital tax credit program.
- Based on government's sustainable fiscal plan and reduced deficit spending, achieved an improvement of the province's outlook from stable to "positive" by two international credit rating agencies.

Comprehensive and Transparent Financial Reporting

- Developed the framework for full implementation of, and compliance with, Generally Accepted Accounting Principles (GAAP) providing an authoritative set of accounting standards and procedures for all of government.
- Set the stage for expanding the government reporting entity in 2004/05 to include the Schools, Universities, Colleges, Health Authorities and Hospital Societies (SUCH) sector resulting in a more accurate and comprehensive understanding of government's financial responsibilities.
- Released the province's 2002/03 *Public Accounts* on June 27, 2003, two months ahead of the statutory deadline and eight other provincial governments.
- Revised the *Financial Administration Act* to incorporate a clear responsibility on the part of all government staff to report any perceived inappropriate transactions to the Comptroller General.

Modernized Business Legislation and Regulation

- Modernized legislation regulating business in the province under the *Business Corporation Act* and streamlined unnecessary regulations to improve services to British Columbians and enhance business competitiveness.
- Introduced the new Corporate Online system that provides businesses with the ability to register online resulting in improved service accessibility and timeliness.

Ministry Role and Services

Ministry Overview

The Ministry of Finance plays a key role in establishing, implementing and reviewing government's economic, fiscal and taxation policies. The ministry provides a variety of functions and activities including banking, accounting, financial and economic reporting, risk and debt management, capital project oversight, regulating the financial and real estate sectors, and serving as the registrar of corporate entities, personal property and manufactured homes. Through the Public Sector Employers' Council, which is chaired by the Minister of Finance, the ministry also helps to co-ordinate labour relations policies and practices across the public sector.

The ministry's clients include Treasury Board, Cabinet, Government Caucus Committees, ministries, agencies, boards, commissions, Crown corporations, businesses, investors and financial-sector agencies. Through its support of the government's *New Era* commitments, the ministry also supports a range of social and economic programs and initiatives.

Ministry Vision, Mission and Values

Vision

To be a responsive organization that is a model for leadership in promoting sound fiscal management and governance in an open and accountable public-sector environment.

Mission

To develop a sustainable fiscal plan, to prudently manage government finances, and to create a sound policy and regulatory framework that supports the creation of a strong and vibrant economy.

Values

All of the activities conducted by the ministry and its staff have been guided by the following values:

Our Values are:	
Accountability	• be accessible and responsive to our client needs • measure and report on our performance at all levels • recognize achievement and learn from the challenges we face • support a risk-based management system that encourages competency and performance based excellence • focus resources and analysis on those activities that present the greatest opportunities or pose the greatest risk to the government's fiscal and economic plan
Innovation	• explore new partnerships and ideas about how we do our business • embrace technological change to capture new opportunities • make strategic investments in our people
Respect and Integrity	• focus on our customers and clients • provide leadership and encourage teamwork • value diversity and differences of opinion • protect the confidentiality of personal or private information
Trust and Honesty	• keep our activities and outputs open and transparent • respond to feedback from the public and our clients • ensure clear and open communication

Over the course of the past year, ministry staff have consistently exercised the highest standards of professionalism in their day-to-day operations. Building upon this capacity ministry executive, program managers and staff have continued to integrate these values into the organization's culture and service delivery model by adopting several strategies including:

- Ongoing staff orientation, development and training
- Open and direct communication between the Deputy Minister and the Finance team
- Regular customer and employee surveys
- Enhancement of performance management and accountability frameworks.

Ministry Operating Context

The Ministry of Finance identified various financial and other risks and opportunities in last year's plan that could affect achievement of its goals and objectives. Over the course of the past year, a number of these risks have impacted the service plan. Several other risks that the ministry had been monitoring were also found to have influenced the way the ministry conducted its business and the results it achieved.

Many of these risks cannot be eliminated. However, the ministry and its partners have been working to reduce the likelihood of risks occurring, mitigate adverse consequences and realize potential opportunities. Significant risks and opportunities included:

Provincial Economy

The British Columbia economy grew 2.2 per cent in 2003, tied for fourth among provinces with Alberta, after growth of 2.4 per cent in 2002. Domestic activity was the main driver of economic growth last year. Consumer spending, which accounts for about two-thirds of all economic activity in the province, benefited from continued low interest rates, tax cuts and robust employment growth. In 2003, housing starts recorded significant growth of 21 per cent and the British Columbia economy posted average annual job growth of 2.5 per cent. Overall, growth in business investment accelerated to 8.2 per cent, mainly reflecting strength in the residential construction sector. The Canadian dollar appreciated rapidly in 2003 and the higher value of the currency had a significant impact on the trade sector. As a result, export growth was limited to 0.5 per cent growth in 2003, while imports grew a stronger 4.3 per cent.

Globalization

The trend toward greater integration of economic and financial markets has increased national and international competition for the investment upon which the province's economic prosperity depends. Individual and business investors constantly review the province's competitive position in terms of the changing tax structures and initiatives of the other jurisdictions requiring an investment strategy that is both long-term and responsive to change.

The Ministry of Finance has been tasked with leading the introduction of a comprehensive set of tax and regulatory reforms focused upon reducing barriers to investment and economic growth. These reforms include targeted personal, corporate and industry specific tax reductions that have positioned British Columbia as an attractive place to invest and create jobs.

Softwood Lumber Dispute

The lack of resolution in the Canada-United States softwood lumber dispute has continued to have a significant impact on the province's forest industries and the communities and families they support. The ongoing uncertainty has also resulted in losses to the provincial government due to reduced forest revenues, personal and corporate income taxes and other revenues.

In order to prudently manage the uncertain effects of this dispute, realistic assumptions were used in determining the budget revenue projections. The province has also worked closely with other affected governments to work towards a negotiated agreement.

Commodity Pricing

Commodity prices fluctuated considerably over the course of the year. In response, the Ministry of Finance worked in partnership with the Ministry of Energy and Mines, the oil and gas industry and northeast communities to develop an investment climate that supported development of the province's vast energy resources. Among the initiatives undertaken was the implementation of a competitive royalty structure, the elimination of unnecessary regulations, support for infrastructure development and promotion in international markets.

Natural Disasters

It is extremely difficult to forecast the effect of any natural disasters that may occur from year to year. 2003/04 was a record year for natural disasters, which included forest fires, floods, BSE (Mad Cow Disease) and drought. Costs for the year approached nearly $500 million with the largest portion reflecting costs in the ministries of Forests and Public Safety and Solicitor General. Despite these significant costs the government was able to offset these impacts by improvements in other areas including lower than budgeted spending in ministries and improvements in revenues and Crown corporations finances.

Demand-driven Program Spending

The Ministry of Finance worked to ensure that prudent assumptions were used in the preparation of the budgets for all ministries and program areas. The ministry also worked closely with public sector entities to anticipate and respond to any potential program pressures throughout the year. Government funds a variety of demand driven programs like Pharmacare, kindergarten to grade 12 education, student financial assistance, income assistance, children-in-care and care of disabled adults.

Budgets for these areas reflected the best estimates of demand and other factors such as labour costs and price inflation. If demand is higher than assumed this could result in spending pressures to be managed. During 2003/04, most areas were below budget as a number of pressures in some areas were either actively managed early or offset by realized savings in other areas. Further, the ministry continues to lead and facilitate adoption of Enterprise-wide Risk Management practices to improve services and target resources in ministries and the broader public sector through education programs and advisory services.

Full Implementation of Generally Accepted Accounting Principles (GAAP)

Since the release of the service plan, the ministry has finalized the necessary frameworks for the full implementation of GAAP beginning in 2004/05. Currently, British Columbia is the only province within Canada to legislate adherence to GAAP in the preparation of its financial documents. In order to clarify accounting interpretation, the ministry has, and will

continue to, work closely with the Office of the Auditor General and the Accounting Policy Advisory Committee.

Technology

Government as a whole has actively leveraged existing and new technologies. Staff workstations and the introduction of new financial management, procurement and registries systems have resulted in improvements in service quality, productivity, cost-effectiveness and enhanced decision-making.

While this adoption of technology has provided significant advantages they remain vulnerable to interruptions resulting from catastrophic events and malicious viruses. Over the course of the past year, the ministry has experienced several service interruptions due to viruses affecting non-critical ministry applications. In response to these risks the ministry has undertaken a systematic information technology security review and business continuity planning evaluation. Mission critical applications will also continue to be supported by disaster recovery plans that ensure continuity of service applying back-up systems, alternative processing sites and utilization of multiple external service providers.

Human Resources

The provincial public sector workforce has begun to undergo a staffing change as a number of staff approach retirement age. The loss of key staff with substantial knowledge and experience in delivering public services represents a significant succession and recruitment challenge to government as a whole.

Ministries and public sector entities have been working collaboratively to support the professional and career development of interested staff members. Initiatives undertaken include formal skills and leadership training as well as job assignments to improve staff capacity. Succession plans have also been established for staff identified as critical to the operation of their respective program areas.

Ministry Structure and Core Business Areas

The ministry provides a wide range of functions related to our mandate of promoting sound fiscal management and governance in the provincial government. In order to efficiently and effectively deliver these functions, the ministry has been structured into seven core business areas. Each of these core business areas has specific responsibilities for the provision of programs and services and contributes directly to at least one of the ministry's goals. The core business areas include:

1. Financial and Economic Performance and Analysis
2. Financial Governance, Accounting and Reporting
3. Treasury
4. Financial and Corporate Sector Services
5. Public Sector Employers' Council
6. Risk Management
7. Executive and Support Services

The resources dedicated to the operation of each of these core business areas are provided in the following section with additional detail available in the Report on Resources table. The ministry has worked to establish linkages between our core business areas, the resources provided and our goals and objectives. However, meaningful allocations of the resources utilized in pursuing a specific goal or objective, are not available given the frequent collaboration and complementary activities that occur between the seven core business areas.

Ministry of Finance
Core Business Area Composition

Financial and Economic Performance and Analysis

- Treasury Board Staff

Actual: $6,870,000
FTE: 66

Financial Governance, Accounting and Reporting

- Comptroller General Operations
- Internal Audit and Advisory Services

Actual: $5,830,000
FTE: 112

Treasury

- Provincial Treasury Operations

Actual: $0 ($1,000 Vote)
FTE: 70

Financial and Corporate Sector Services

- Financial and Corporate Sector Policy
- Financial Institutions Commission
- Registries

Actual: $7,776,000
FTE: 163

Public Sector Employers' Council

- Public Sector Employers' Council
- Employer Associations

Actual: $14,807,000
FTE: 13

Risk Management

- Risk Management

Actual: $4,083,000
FTE: 42

Executive and Support Services

- Minister's Office
- Deputy Minister's Office
- Corporate and Ministry Support Services

Actual: $18,279,000
FTE: 100

Core Business Area 1: Financial and Economic Performance and Analysis

Full Time Equivalent Employees: 66	Actual: $6,870,000

Purpose:

- To provide fiscal and tax policy analysis and advice that supports the achievement of balanced budgets, improves the province's competitiveness and sustains cost-effective public services.

Key Client/Stakeholder Groups:

- Minister of Finance, Chair of Treasury Board, Treasury Board, Cabinet, Government Caucus Committees, government ministries, Crown corporations, agencies, the SUCH sector, and other stakeholders.

Core Activities:

- Develop the government's three-year fiscal plan and identify, assess, monitor and manage significant risks and opportunities relating to the plan.
- Provide financial, economic, revenue, capital, taxation, and intergovernmental fiscal relations advice including economic and financial forecasts.
- Assist government in implementing key fiscal, taxation and intergovernmental policy decisions.
- Manage the government budget and estimates reporting process.
- Produce the budget, estimates, quarterly reports, and the budget consultation document; as well as internal reports and related analysis.

Core Business Area 2: Financial Governance, Accounting and Reporting

Full Time Equivalent Employees: 112	Actual: $5,830,000

Purpose:

- To assure the accuracy and integrity of provincial public sector financial reporting and maintain a framework of best practices for financial management. Over the course of the past year, additional responsibilities related to the establishment and management of procurement governance frameworks have been included.

Key Client/Stakeholder Groups:

- Ministries, Crown corporations, agencies, the SUCH sector, Legislative Assembly, Public Accounts Committee and the Office of the Auditor General.

Core Activities:

- Provide accounting policy advice and analysis resulting in financial information that is consistent with Generally Accepted Accounting Principles.
- Provide accounting advice on public-private partnerships (P3s) and financing proposals.

- Provide financial and procurement governance by establishing policy, procedures and legislation that define the framework for government, and provide assurance using a risk-based approach that the framework is operating as intended.
- Provide internal audit services to support ministry and cross-government performance, risk management, and control activities.
- Provide financial reporting by preparing and publishing the *Public Accounts* and contributing to other financial reports for timely reporting, decision-making, and financial transparency, and by working with the Auditor General and accounting standards organizations on appropriate accounting standards and their application to the province.

Core Business Area 3: Treasury

Full Time Equivalent Employees: 70	Actual: $0 ($1,000 Vote)

Purpose:

- To provide British Columbians with the benefits of cost effective cash and debt management and banking services, resulting in lower expenditures and to improve online government services through electronic banking support.

Key Client/Stakeholder Groups:

- Ministries, Crown corporations, government agencies, international investment community and credit rating agencies.

Core Activities:

- Deliver cost effective banking, cash management, and electronic banking services.
- Ensure the borrowing needs for the provincial government and its agencies are met cost-effectively, provide support for corporate and project finance initiatives, and efficiently manage debt, settlement operations, and reporting.
- Manage investor relations initiatives and act as the primary liaison with domestic and international credit rating agencies.

Core Business Area 4: Financial and Corporate Sector Services

Full Time Equivalent Employees: 163	Actual: $7,776,000

Purpose:

- To ensure that the province's financial services sector is reliable, competitive and enjoys the confidence of British Columbians and to provide personal property and corporate registry services that meet the needs of the marketplace.

Key Client/Stakeholder Groups:

- Ministries, Crown corporations, government agencies, members of the public, business and real estate community, financial and insurance institutions and pension plans, non-profit organizations and co-operatives.

Core Activities:

- Oversee the financial services and real estate sectors including:
  - — operation of the Financial Institutions Commission (FICOM) and the Credit Union Deposit Insurance Corporation;
  - — regulation of credit unions, trust companies, pension plans, insurance companies, captive insurance companies, and insurance licensees;
  - — regulation of real estate licensees and mortgage brokers.
- Operate registries services including:
  - — registration of all business entities, non-profit organizations, and co-operatives that operate in British Columbia;
  - — maintenance of registries of security interests (liens) in personal property and of the ownership and location of manufactured homes in the province.
- Provide policy analysis and advice to government in support of legislative frameworks for the regulation of the province's financial services and real estate sectors, as well as the governance of the province's corporate and commercial sectors.

Core Business Area 5: Public Sector Employers' Council

Full Time Equivalent Employees: 13	Actual: $14,807,000

Purpose:

- To foster an efficient and effective workforce through the coordination of public sector labour relations policies and practices.

Key Client/Stakeholder Groups:

- Minister of Finance, Treasury Board and Cabinet.

Core Activities:

- Set and coordinate strategic directions in human resource management and labour relations and advise government with respect to labour relations and pension and benefits issues in the provincial public sector.

Core Business Area 6: Risk Management

Full Time Equivalent Employees: 42	Actual: $4,083,000

Purpose:

- To reduce accidental and business losses in the provincial public sector through the development of comprehensive risk management and self-insurance programs.

Key Client/Stakeholder Groups:

- Ministries, Crown corporations, agencies and the SUCH sector.

Core Activities:

- Provide risk management services in the areas of risk identification and assessment processes, risk transfer, risk financing, risk mitigation, claims/litigation management, and security and business continuity planning.
- Develop and manage comprehensive risk management programs that seek to minimize the risks the provincial public sector faces by virtue of its programs, operations and assets.
- Lead and facilitate adoption of enterprise-wide risk management through training and advisory services.

Core Business Area 7: Executive and Support Services

Full Time Equivalent Employees: 100	Actual: $18,279,000

Purpose:

- To provide strategic leadership and corporate support services that contributes to the success of all core business areas.

Key Client/Stakeholder Groups:

- Minister, Deputy Minister, internal core business areas and supported government ministries and entities.

Core Activities:

- Executive and administrative support to the Minister and Deputy Minister's offices.
- Strategic support to ministry operations, programs, and external clients including the Ministry of Management Services, Ministry of Provincial Revenue, Office of the Premier, BC Public Service Agency and other public sector entities. Service areas include finance, human resources, information management, and information access and records services and reflect a shared services model that offers cost-savings through economies of scale and pooled expertise.
- Development of enterprise-wide risk management frameworks to identify and cost-effectively manage the ministry's key risks and opportunities.
- Funding in support of Government House.
- Funding in support of *Partnerships British Columbia.*

Strategic Shifts and Significant Changes in Policy Direction

The Ministry of Finance has not undergone any significant strategic shifts or changes in policy direction since the release of our *Service Plan 2003/04–2005/06*. The ministry's mandate remains focused upon the *New Era* commitments and the results of the Core Services Review that was finalized in 2001.

Update on *New Era* Commitments

In 2001, the Ministry of Finance was directed by government to pursue a number of *New Era* commitments related to revitalizing the economy, restoring sound fiscal management and ensuring funding for government priorities that put patients, students and people in need first.

The following provides an update on the ministry's ongoing *New Era* Commitments and supporting initiatives pursued over the past year.

New Era Commitment	Ministry Initiative	Additional Detail
Balance the budget without cutting funding for health care or education	The provincial deficit in 2003/04 was $1.339 billion, $961 million less than projected. Looking forward, the government introduced a balanced budget in February 2004 that was in full compliance with Generally Accepted Accounting Principles and included the SUCH sector for the first time. Government's commitment to meet or beat its annual budget targets has allowed for significantly increased spending on priority services such as health care and education. Additional spending in these areas, through various government ministries, over the past two years (2002/03 – 2003/04) has exceeded $770 million. Budget 2004 builds upon these funding increases with the following targeted investments: • By 2006/07, the Health Services ministry budget will have increased by $1.047 billion since Budget 2003 was tabled (10.3 per cent increase), reflecting additional provincial investments and contributions received under the First Ministers' Accord on Health Care Renewal; • The K-12 Education ministry budget will have increased more than $300 million since Budget 2003 (6.4 per cent increase), to improve student achievement and make schools safer; and • By 2006/07, the post-secondary education budget will have increased $105 million since Budget 2003 (5.5 per cent) to improve student access to higher education in BC communities.	Page 28
Phase out taxes on investment and productivity to stimulate economic growth and job creation, in keeping with our commitment to balance the budget and protect health care and education funding	Previous tax reductions included cutting personal and corporate income taxes, eliminating the corporation capital tax for general corporations and exempting production machinery and equipment from provincial sales tax. Additional tax reductions to improve competitiveness were introduced in 2003/04. These included: • introducing incentives for new media productions, and digital animation and special effects; • expanding the province's venture capital tax credits; • reducing the property tax rates paid by port operators to encourage new investment needed to secure future port expansion; and • eliminating the provincial sales tax on manufactured penstock equipment for small hydro-electric projects.	Page 33

Performance Reporting

Report on Results

Over the course of the past year, the ministry has worked toward achieving the following five goals that were detailed in our *Service Plan 2003/04–2005/06*. Collectively, they provide the strategic direction that guides all of our activities:

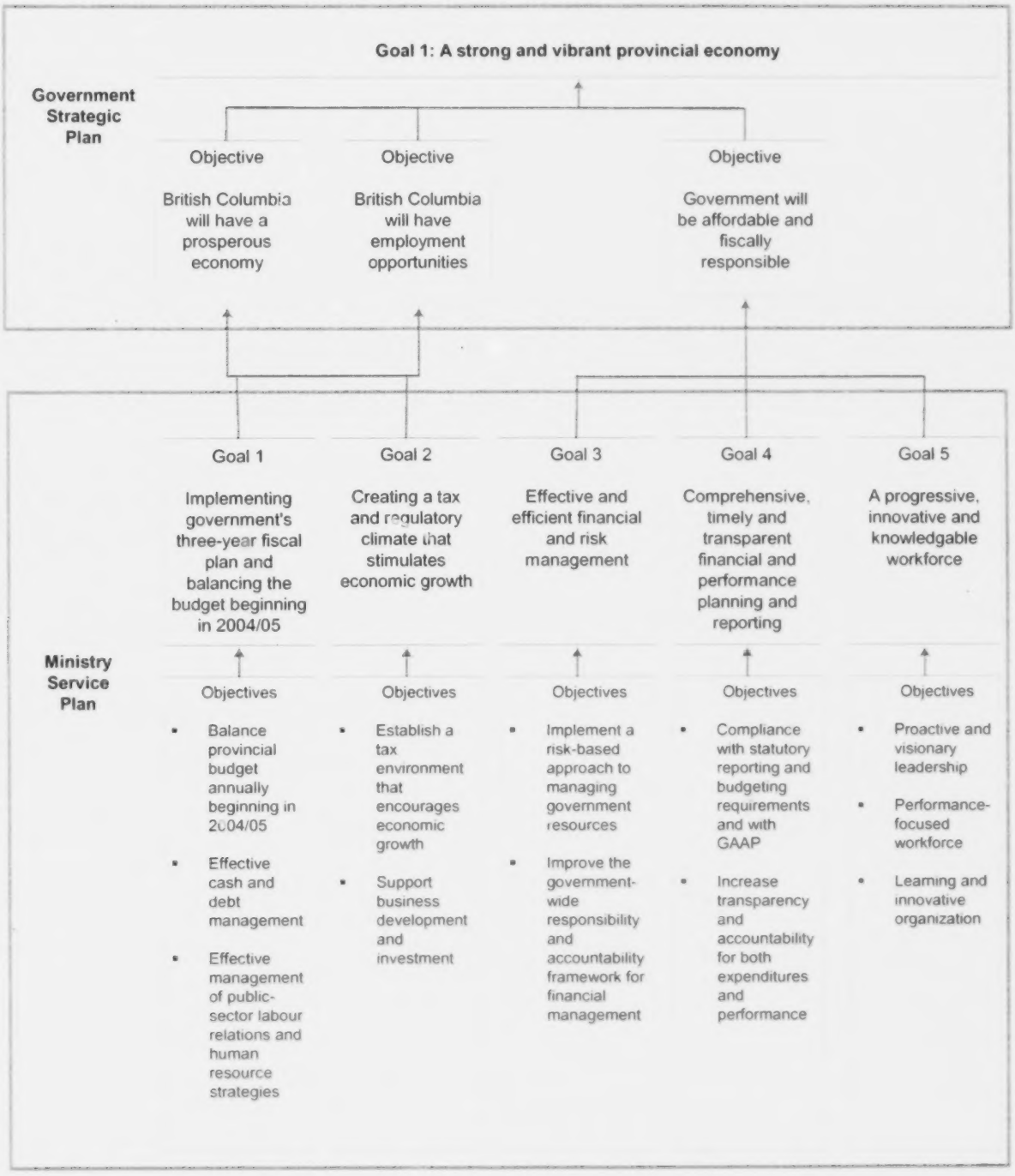
1. Implementing government's three-year fiscal plan and balancing the budget beginning in 2004/05.
2. Creating a tax and regulatory climate that stimulates economic growth.
3. Effective and efficient financial and risk management.
4. Comprehensive, timely and transparent financial and performance planning and reporting.
5. A progressive, innovative and knowledgeable workforce.

Each of these goals contributes directly to government's overall goal of a *"strong and vibrant provincial economy"*. It is this foundation of economic growth and prosperity that ensures the sustainability of essential public services like health care and education, now and in the future.

Ministry Performance Linkages

The following section details progress the ministry has made towards achieving its goals and objectives and offers detailed information to evaluate our performance. Under each goal, information is provided on key strategies, supporting core business areas, rationales for the selection of each measure, comparisons of actual results versus intended targets and explanations for any variances.

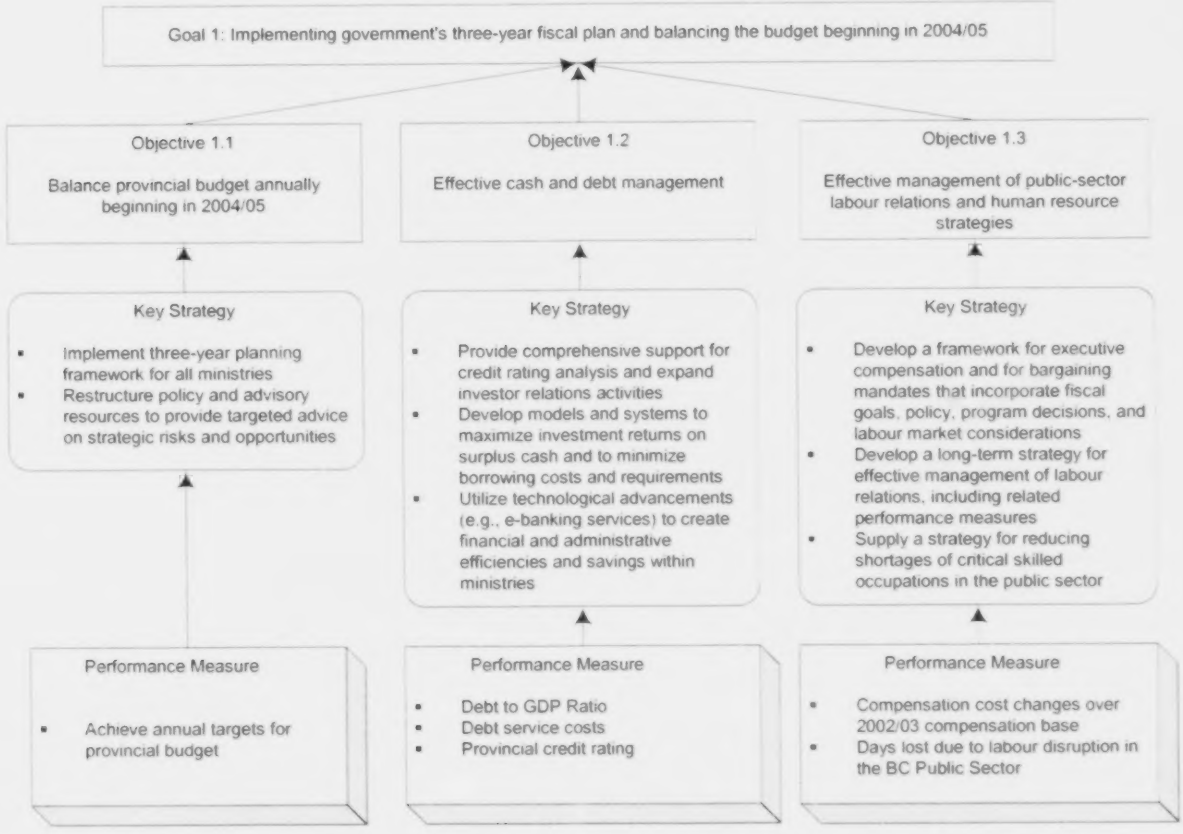
It should be noted in reviewing the material that some performance measures while being important indicators of performance and successful outcome may be influenced by circumstances somewhat beyond the control or influence of the ministry (e.g., Debt to GDP ratio). Despite these limitations, the following information provides an important basis for evaluating our performance and is reflective of the ministry's commitment to transparency and continuous improvement.


Goal 1: A strong and vibrant provincial economy
Government Strategic Plan
Objective
British Columbia will have a prosperous economy
Objective
British Columbia will have employment opportunities
Objective
Government will be affordable and fiscally responsible
Goal 1
Implementing government's three-year fiscal plan and balancing the budget beginning in 2004/05
Goal 2
Creating a tax and regulatory climate that stimulates economic growth
Goal 3
Effective and efficient financial and risk management
Goal 4
Comprehensive, timely and transparent financial and performance planning and reporting
Goal 5
A progressive, innovative and knowledgable workforce
Ministry Service Plan
Objectives
Balance provincial budget annually beginning in 2004/05
Effective cash and debt management
Effective management of public-sector labour relations and human resource strategies
Objectives
Establish a tax environment that encourages economic growth
Support business development and investment
Objectives
Implement a risk-based approach to managing government resources
Improve the government-wide responsibility and accountability framework for financial management
Objectives
Compliance with statutory reporting and budgeting requirements and with GAAP
Increase transparency and accountability for both expenditures and performance
Objectives
Proactive and visionary leadership
Performance-focused workforce
Learning and innovative organization

Goal 1: Implementing government's three-year fiscal plan and balancing the budget beginning in 2004/05

A strong and vibrant provincial economy remains a key goal in the government's three-year strategic plan. The ministry worked throughout the past year to achieve this goal by maintaining a competitive tax regime and assisting ministries to meet their budget and service plan targets, thereby eliminating the structural deficit and balancing the budget. The ministry has also played a central role in coordinating the management of labour relations policies and practices in the public sector in support of a stable, efficient and effective workforce.

The introduction of a balanced provincial budget for fiscal 2004/05 in February 2004, represented a significant achievement on the part of government that will revitalize the province's economy, restore sound fiscal management and direct resources to health care and education. Ministry stewardship of this process in partnership with other ministries and public sector entities was critical and represented the culmination of three years work.


Goal 1: Implementing government's three-year fiscal plan and balancing the budget beginning in 2004/05
Objective 1.1
Balance provincial budget annually beginning in 2004/05
Objective 1.2
Effective cash and debt management
Objective 1.3
Effective management of public-sector labour relations and human resource strategies
Key Strategy
Implement three-year planning framework for all ministries
Restructure policy and advisory resources to provide targeted advice on strategic risks and opportunities
Key Strategy
Provide comprehensive support for credit rating analysis and expand investor relations activities
Develop models and systems to maximize investment returns on surplus cash and to minimize borrowing costs and requirements
Utilize technological advancements (e.g., e-banking services) to create financial and administrative efficiencies and savings within ministries
Key Strategy
Develop a framework for executive compensation and for bargaining mandates that incorporate fiscal goals, policy, program decisions, and labour market considerations
Develop a long-term strategy for effective management of labour relations, including related performance measures
Supply a strategy for reducing shortages of critical skilled occupations in the public sector
Performance Measure
Achieve annual targets for provincial budget
Performance Measure
Debt to GDP Ratio
Debt service costs
Provincial credit rating
Performance Measure
Compensation cost changes over 2002/03 compensation base
Days lost due to labour disruption in the BC Public Sector

Objective 1.1: Balance provincial budget annually beginning in 2004/05

The development of a balanced budget beginning in 2004/05 represents a significant shift from the structural deficits that characterized provincial budgets during the 1990's. Creation of balanced budgets based on sustainable spending and revenues will help position British Columbia once again as one of Canada's leading economies. Balanced budgets are also beneficial in that they help avoid simply passing the burden of today's costs on to future generations.

Key Strategies	Core Business Area
1. Implement three-year planning framework for all ministries	Financial and Economic Performance and Analysis
2. Restructure policy and advisory resources to provide targeted advice on strategic risks and opportunities	

Achievements

- A balanced budget for 2004/05 along with a sustainable fiscal plan for 2004/05 to 2006/07 was introduced in February 2004.
- Despite significant disasters (forest fires, BSE and floods) the provincial deficit for 2003/04 was $1.339 billion, $961 million lower than expected.

Results

Performance Measure	2001/02 Actual	2002/03 Actual	2003/04 Target	2003/04 Actual	2003/04 Variance
Achieve annual targets for provincial budget	$1.299B Deficit	$3.199B Deficit	$2.300B Deficit	$1.339B Deficit	Beat budget target by $961 million
Selection Rationale: Government's ability to achieve balanced budgets requires adherence to specific budget targets. Financial and Economic Performance and Analysis (Treasury Board Staff) worked closely with the respective ministries' executives on an ongoing basis to monitor progress in meeting the approved spending and revenue targets.					
Variance: Higher energy revenues, improved Crown corporation finances, lower debt service costs, and the unneeded forecast allowance helped reduce the deficit for 2003/04.					

Objective 1.2: Effective cash and debt management

In 2003/04, government managed cash flows totaling more than $100 billion. Debt service cost for the total provincial debt in 2003/04 was $2.2 billion. Of this amount, $738 million relates to the Management of Public Funds and Debt vote (central government operating debt). Accordingly, improvement in the oversight and delivery of cash and debt management on behalf of all government and client programs offers an important opportunity to reduce costs and redirect resources to priority services.

Key Strategies	Core Business Area
1. Provide comprehensive support for credit rating analysis and expand investor relations activities	Treasury
2. Develop models and systems to maximize investment returns on surplus cash and to minimize borrowing costs and requirements	
3. Utilize technological advancements (e.g., e-banking services) to create financial and administrative efficiencies and savings within ministries	

Achievements

- Two international rating agencies upgraded the outlook for the province's credit rating from stable to positive. This improvement reflects a growing awareness of the province's responsible and sustainable fiscal framework.
- Coordinated and supported the Minister's North American investor tour in March 2004 including Vancouver, Toronto, Montreal and New York. The tour helped to reinforce the province's positive credit fundamentals with institutional investors.
- Completed the long-term borrowing program of $2.9 billion, which was $2.9 billion less than forecast in Budget 2003.
- Achieved debt service cost savings of $425 million on total provincial debt. Of this amount, $188 million represents savings on the Management of Public Funds and Debt vote. These savings resulted from effective management of the province's debt portfolio, a reduced borrowing requirement and lower than expected interest rates.
- The return of 2.9 per cent on surplus cash investments matched the return on the Scotia Capital 30 day T-Bill Index, a public benchmark for assessing the performance of short-term investments in Canada.
- Ten electronic payment applications were implemented for ministry clients reducing their administrative costs and improving client payment options. An electronic payment function was also added to the province's BC Bid system that provides open tendering of government's procurement opportunities on the Internet. The overall annual value of the transactions processed through the ten applications is estimated to exceed $67 million, representing 433,000 payments.

Results

Performance Measure	2001/02 Actual	2002/03 Actual	2003/04 Target	2003/04 Actual	2003/04 Variance
Debt to GDP Ratio (Provincial ranking — Moody's)	2nd Lowest	2nd Lowest	In the Lowest 3	2nd Lowest[1]	Ahead of target
Selection Rationale: Maintaining a relatively low taxpayer-supported Debt-to-GDP ratio signifies a healthy balance sheet and means affordable debt levels. Rating agencies rely on this balance-sheet measure as one among a number of important credit rating considerations.					

[1] Based on Moody's calculations using provincial 2003/04 Budget *Estimates*. Actual results will be available in August 2004.

Performance Measure	2001/02 Actual	2002/03 Actual	2003/04 Target	2003/04 Actual	2003/04 Variance
Debt service costs (Provincial ranking — Moody's)	2nd Lowest	2nd Lowest	2nd Lowest	2nd Lowest[1]	On target
Selection Rationale: A relatively low ratio of taxpayer-supported debt service cost to taxpayer-supported revenues or "interest bite" demonstrates fiscal prudence and an affordable debt burden. Rating agencies rely on this measure as one among a number of important credit rating considerations.					

[1] Based on Moody's calculations using provincial 2003/04 Budget *Estimates*. Actual results will be available in August 2004.

Performance Measure	2001/02 Actual	2002/03 Actual	2003/04 Target	2003/04 Actual	2003/04 Variance
Provincial credit rating (Moody's)	Aa2	Aa2	Aa2	Aa2	Upgraded to positive outlook
Selection Rationale: The interest rate paid by the Province when it borrows in the domestic and international capital markets is influenced by the credit ratings supplied by third party agencies. In determining a credit rating, agencies consider the borrower's ability to promptly pay the interest and principal due based upon the borrower's balance sheet and income statement. Among other credit rating considerations, rating agencies evaluate debt as a percentage of GDP, and the significance of interest owing as a percentage of gross receipts.					

Objective 1.3: Effective management of public-sector labour relations and human resource strategies

Compensation costs are a significant component of the provincial budget. Accordingly, effective management of the provincial fiscal plan requires the establishment of appropriate and sustainable compensation levels. Labour market analysis and frameworks are also critical for attracting and retaining those highly-skilled workers that remain critical to the delivery of many public services.

Key Strategies	Core Business Area
1. Develop a framework for executive compensation and for bargaining mandates that incorporate fiscal goals, policy, program decisions, and labour market considerations	Public Sector Employers' Council
2. Develop a long-term strategy for effective management of labour relations, including related performance measures	
3. Supply a strategy for reducing shortages of critical skilled occupations in the public sector	

Achievements

- Within the fiscal year 2003/04, PSEC coordinated collective bargaining activities that resulted in 22 collective agreements negotiated within the public sector mandate of net zero. This brings the total number of collective agreements negotiated under the current mandate to 41 since January 2002.

Performance Measure	2001/02 Actual	2002/03 Actual	2003/04 Target	2003/04 Actual	2003/04 Variance
Compensation cost changes over 2002/03 compensation base[1]	N/A	Baseline $17.43 Billion	0 $17.43 Billion	($1.34 Billion) $16.09 Billion	($1.34 Billion)
Selection Rationale: Incremental changes in compensation cost are an indicator of government's ability to control costs and continue to provide vital services. An understanding of compensation cost changes also provides a basis for comparison with the private sector labour market and the growth of the provincial economy.					

[1] The compensation base 2002/03 has been revised based on the following:

- Approximately $1 Billion of the compensation base reduction is the result of restructuring which has removed entities from the PSEC mandate compensation base (e.g., BC Ferries).
- Approximately $225 Million of the compensation base reduction is savings from workforce outsourcing.
- Approximately $90 Million of the compensation base reduction is the reflection of improved reporting.

Performance Measure	2001/02 Actual	2002/03 Actual	2003/04 Target	2003/04 Actual	2003/04 Variance
Days lost due to labour disruption in the BC Public Sector[1]	105% greater than National Average (0.634 Days)	30% greater than National Average (0.584 Days)	+/- 10% of Canadian Average days lost	5.7% greater than National Average (0.448 Days)	Target achieved by 4.3 percentage points
Selection Rationale: Days lost due to labour disruptions from strikes or lockouts is a measure of the stability of the public sector labour relations climate. A stable public sector labour relations climate contributes to a favourable external analysis of the investment climate of a jurisdiction.					

[1] The comparative aspect of this measure varies depending upon labour disruptions in BC and other Canadian provinces and is based on a per employee rolling three year average.

Goal 2: Creating a tax and regulatory climate that stimulates economic growth

The Ministry of Finance plays a critical role in the development of a healthy investment climate in the province. Specifically, the ministry is responsible for delivering on the government's commitment to establish a competitive tax environment to support economic development and investment. Since 2001, the ministry has made significant progress in realizing this goal including:

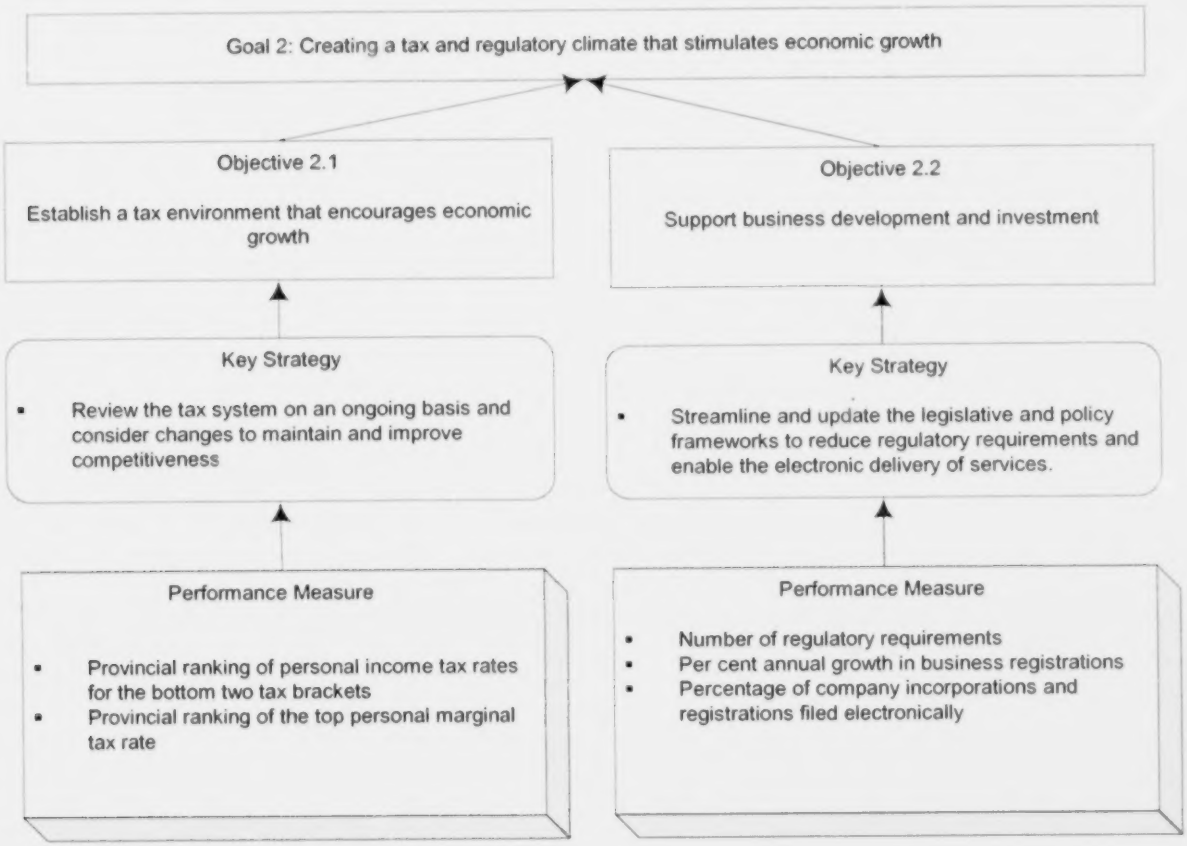
- cutting provincial personal income taxes by an average of 25 per cent
- reducing the general corporate income tax rate by 18 per cent
- introducing a provincial sales tax exemption for production machinery and equipment
- eliminating the corporation capital tax for general corporations
- several sector specific tax measures

Throughout the past year, the ministry has sustained these tax reductions and extended tax relief by:

- introducing incentives for new media productions, and digital animation and special effects
- expanding the province's venture capital tax credits
- reducing the property tax rates paid by port operators to encourage new investment and secure future port expansion
- eliminating the provincial sales tax on manufactured penstock equipment for small hydro-electric projects

In addition to the above tax cuts, targeted to increasing economic development and job growth, the ministry has continued to deliver on the *New Era* promise of having the lowest personal income tax rates in the country for the bottom two brackets.

Development of an economic climate that sustains growth also requires a systematic reduction in the number of regulatory requirements and red tape. Diminishing the regulatory burden makes it easier and more attractive for business to locate and invest in the province. The ministry played an important role in meeting government's deregulation commitment through passage of the new *Business Corporations Act*, which both streamlined existing requirements and provided more flexibility for business incorporations. Technology was also used to improve personal and corporate property registration services through the creation of several e-government solutions.


Goal 2: Creating a tax and regulatory climate that stimulates economic growth
Objective 2.1
Establish a tax environment that encourages economic growth
Objective 2.2
Support business development and investment
Key Strategy
Review the tax system on an ongoing basis and consider changes to maintain and improve competitiveness
Key Strategy
Streamline and update the legislative and policy frameworks to reduce regulatory requirements and enable the electronic delivery of services.
Performance Measure
Provincial ranking of personal income tax rates for the bottom two tax brackets
Provincial ranking of the top personal marginal tax rate
Performance Measure
Number of regulatory requirements
Per cent annual growth in business registrations
Percentage of company incorporations and registrations filed electronically

Objective 2.1: Establish a tax environment that encourages economic growth

The competitiveness of the taxation environment is a critical consideration for businesses and individuals in deciding whether to invest in the province. Jurisdictions with high tax regimes fail to attract or retain investment. As a result, their economic growth is limited and they forego the resulting additional revenues that sustain government services such as health and education.

Key Strategy	Core Business Area
1. Review the tax system on an ongoing basis and consider changes to maintain and improve competitiveness	Financial and Economic Performance and Analysis

Achievements

- Reduced the property tax rates paid for ports, eliminated the provincial sales tax on manufactured penstock equipment for small hydro-electric projects and introduced new tax incentives for digital animation and new media.

Performance Measure	2001/02 Actual	2002/03 Actual	2003/04 Target	2003/04 Actual	2003/04 Variance
Provincial ranking of personal income tax rates for the bottom two tax brackets	Lowest	Lowest	Lowest	Lowest	On Track
Selection Rationale: This performance measure stems from the Government's *New Era* commitment to cut the base personal income tax rate to the lowest rate of any province in Canada for the bottom two tax brackets on the first $60,000 of income. Keeping these tax rates low is consistent with the objective of maintaining a competitive tax system that encourages investment and innovation.					

Performance Measure	2001/02 Actual	2002/03 Actual	2003/04 Target	2003/04 Actual	2003/04 Variance
Provincial ranking of the top personal marginal tax rate	In the Lowest 2	In the Lowest 3	In the Lowest 3	In the Lowest 2	Exceeded target by one ranking
Selection Rationale: Comparison of provincial top marginal personal income tax rates is a key component in the decision-making processes of highly skilled individuals and investors, in choosing where to live, work and invest.					

Objective 2.2: Support business development and investment

An important mechanism to promote investment and innovation in the province is the creation of an efficient and effective regulatory and policy framework. Unnecessary regulatory requirements increase the cost of doing business in the province resulting in wasted time and effort for both individuals and businesses. Alternatively, streamlined legislative and policy frameworks supported by the electronic delivery of services can achieve the same outcomes while acting as a driver for further business development and investment.

Key Strategy	Core Business Area
1. Streamline and update the legislative and policy frameworks to reduce regulatory requirements and enable the electronic delivery of services	Financial and Corporate Sector Services

Achievements

Over the course of the past year the ministry has made significant progress in updating the legislative frameworks for the financial and corporate sectors, including:

- Passed and subsequently implemented the *Business Corporations Act* (March 2004) to replace the outdated *Company Act*. This legislation provides comprehensive rules for the creation and governance of British Columbia's corporations and represents the first significant update of corporate legislation since 1973.

- Expanded online registration under the *Business Corporations Act, Manufactured Home Act* and *Personal Property Security Act* which will significantly enhance the efficiency and effectiveness of public access to, and use of, the registries. The amount of information required to be filed with the Registries has been reduced.
- Enabled the creation of a new Financial Services Tribunal to hear appeals of decisions under the *Financial Institutions Act, Credit Union Incorporation Act, Mortgage Brokers Act, Pension Benefits Standards Act* and *Real Estate Act*.
- Mandated the British Columbia Utilities Commission (BCUC) with responsibility and authority for independently regulating the basic insurance rates and service of the Insurance Corporation of British Columbia (ICBC).
- Created a legislative framework to enhance competition for optional vehicle insurance products, such as collision and comprehensive insurance coverage, resulting in greater choice for consumers.
- Four electronic registration systems were implemented, including Manufactured Homes Online, Corporate Online, BC Business Number Hub and OneStop Business Registration System offering improved access to services for clients, a reduction in unnecessary regulations and cost savings to government of more than $4 million over the coming years.

Performance Measure	2001/02 Actual	2002/03 Actual	2003/04 Target	2003/04 Actual	2003/04 Variance
Number of regulatory requirements (2004/05 target is a 1/3 reduction from 2001/02 baseline)*	41,382	34,706 (-16%)	31,000 (-25%)	28,194 (-31.87%)	Exceeded the target by 6.87 percentage points
Selection Rationale: Regulatory burden is a key consideration for individuals and firms considering whether to invest in the province. Reducing red tape by eliminating unnecessary regulatory requirements improves the competitiveness of British Columbia's business environment and contributes to its economic growth. An important indicator of the overall regulatory burden on business is the number of regulatory requirements.					

* The regulatory baseline has been adjusted to reflect 1,075 additional regulatory requirements assumed from the *Pension Benefits Standards Act* and *Public Sector Pension Plans Act*.

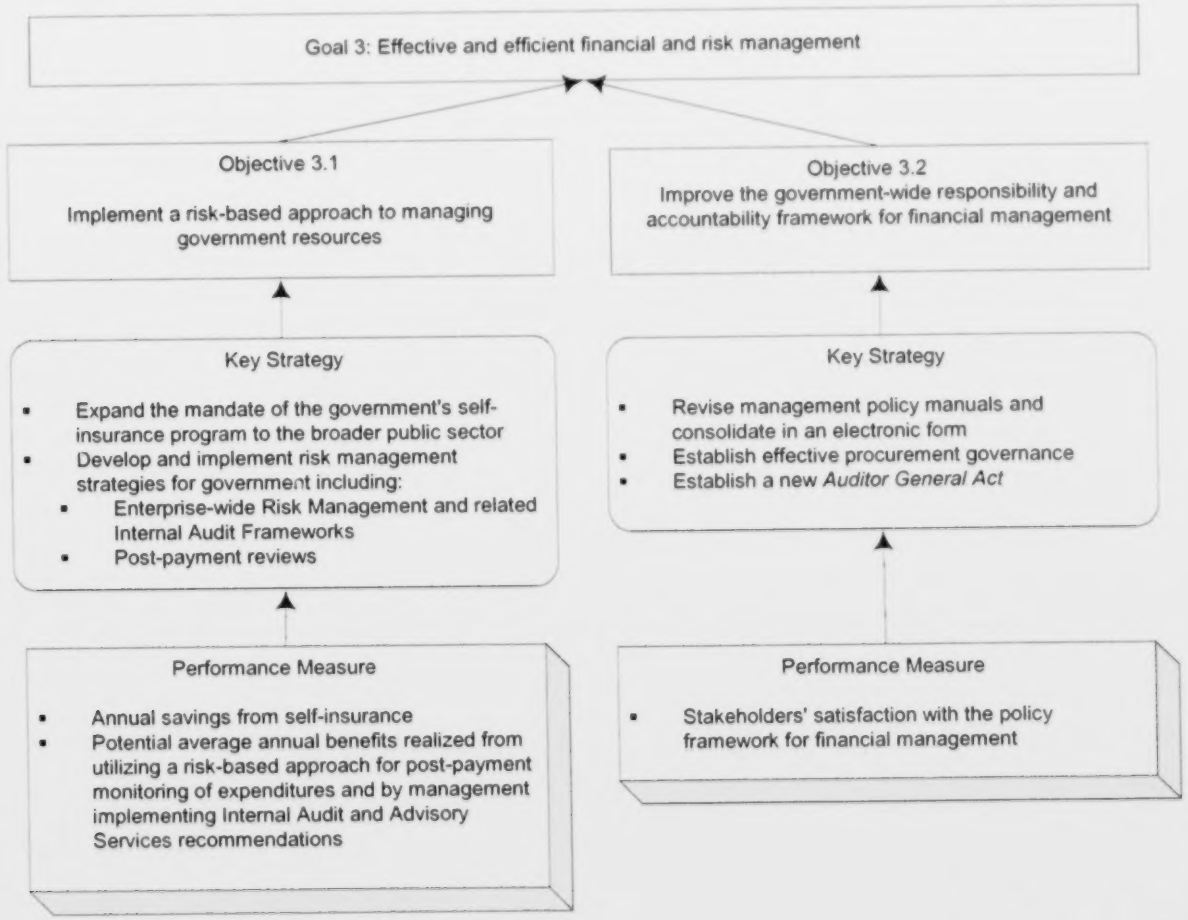
Performance Measure	2001/02 Actual	2002/03 Actual	2003/04 Target	2003/04 Actual	2003/04 Variance
Per cent annual growth in business registrations	1.7% (43,304)	12.6% (48,767)	5% (51,205)	5.4% (51,401)	Exceeded the target by 0.4 percentage points (196)
Selection Rationale: An increase in the number of businesses operating in the province is an indicator of the government's success in creating a tax and regulatory climate that stimulates economic growth.					

Performance Measure	2001/02 Actual	2002/03 Actual	2003/04 Target	2003/04 Actual	2003/04 Variance
Percentage of company incorporations and registrations filed electronically	71%	77%	85%	84.1%	Shortfall of 0.9 percentage points
Selection Rationale: The transfer of paper-based company incorporations and registrations to electronic self-service over the Internet improves customer service at reduced costs. Registering parties are able to complete their transactions when they require them, pay for the service and obtain confirmation all in real time. Among the services offered electronically is the registration of business entities, encumbrances (liens) on personal property and ownership and location of manufactured homes in the province.					
Variance: An underestimation of the Corporate Online system's complexity delayed its implementation by three months. This delay limited the time available for electronic incorporation and other corporate filings.					

Goal 3: Effective and efficient financial and risk management

The Ministry of Finance is responsible for the Government's overall financial and risk management framework. This involves the establishment of appropriate legislation, policies, procedures and training and reporting at a corporate level to ensure the province's resources and obligations are appropriately managed in support of effective service delivery. The framework reinforces individual and corporate accountabilities for outcomes, maintains the corporate standards for stewardship of resources, management of liabilities and risk, and the collection and disbursement of public funds.

Key activities include financial, procurement and accounting policy development, internal audit and advisory services, risk management, and compliance monitoring. The policies are risk-based to ensure they add value and are consistent with the risks they are intended to address. Programs focus on areas of greatest risk with a goal of making broad systemic change to improve performance. This ensures that finance and administration functions are provided using the optimal mix of resources and funding.


Goal 3: Effective and efficient financial and risk management
Objective 3.1
Implement a risk-based approach to managing government resources
Objective 3.2
Improve the government-wide responsibility and accountability framework for financial management
Key Strategy
Expand the mandate of the government's self-insurance program to the broader public sector
Develop and implement risk management strategies for government including:
Enterprise-wide Risk Management and related Internal Audit Frameworks
Post-payment reviews
Key Strategy
Revise management policy manuals and consolidate in an electronic form
Establish effective procurement governance
Establish a new Auditor General Act
Performance Measure
Annual savings from self-insurance
Potential average annual benefits realized from utilizing a risk-based approach for post-payment monitoring of expenditures and by management implementing Internal Audit and Advisory Services recommendations
Performance Measure
Stakeholders' satisfaction with the policy framework for financial management

Objective 3.1: Implement a risk-based approach to managing government resources

Key Strategies	Core Business Area
1. Expand the mandate of the government's self-insurance program to the broader public sector	Risk Management and Financial Governance Accounting and Reporting
2. Develop and implement risk management strategies for government including: • Enterprise-wide Risk Management and related Internal Audit Frameworks • Post-payment reviews	

Achievements

- Risk Management expanded its coordination of public sector self-insurance programs to include a number of new programs and service offerings. By assuming the role of a traditional insurer for investigating, defending and paying claims risks rather than transferring them at a premium to third parties, the province, and participating programs, saved significantly more than was anticipated.
- The government's audit program is now prepared on a risk-based approach to better target potential areas of vulnerability and opportunity. Over the past year 100 per cent of the corporate audit plan and 40 per cent of ministries' audit plans were based on an initial risk assessment.
- Post-payment review was fully integrated into the financial control framework. Within the past year, the ministry has completed post-payment reviews of lower risk accounts payable transactions for travel expenses, petty cash reimbursements and other types of payments to employees. The infrastructure is in place to expand post-payment review to higher risk payments, and controls have been established within the Corporate Accounting system to monitor contracting processes and procurement processes.
- A comprehensive Enterprise-wide Risk Management program, focused on education and interactive workshops, was expanded. This initiative built upon best practices and emphasized collaboration and communication between ministries and other public sector entities.
- Provided risk management consulting services to public-private partnership projects, ASD projects, 2010 Olympic Games, Public Safety Authority, the Consumer Protection Authority and the Motor Dealer Council of BC.
- An Enterprise-wide Risk Management program was also implemented within the ministry to better identify and manage key risks at the ministry, program and operational levels.

Performance Measure	2001/02 Actual	2002/03 Actual	2003/04 Target	2003/04 Actual	2003/04 Variance
Annual savings from self-insurance (5 year rolling average)	N/A	$30.1 Million	$32.1 Million	$43.1 Million	Exceeded by $11 Million
Selection Rationale: Since 1986 self-insurance programs have saved the province more than $600 million. These cost savings allow participating ministries, hospitals, health care agencies, school boards and social service agencies to direct their resources to the delivery of core services rather than insurance costs.					
Variance: Commercial insurance premiums have increased sharply, starting about three years ago, and as a result self-insurance has generated substantial savings.					

Performance Measure	2001/02 Actual	2002/03 Actual	2003/04 Target	2003/04 Actual	2003/04 Variance
Potential average annual benefits realized from utilizing a risk-based approach for post-payment monitoring of expenditures and by management implementing Internal Audit and Advisory Services recommendations	N/A	$5.7 Million	$5.2 Million	$13.8 Million	Exceeded by $8.6 Million
Selection Rationale: Post-payment Monitoring: Both public and private sector organizations have found that a pre-payment review of every accounts payable transaction is not cost-effective. Instead, best practices have found that a stringent process of statistically valid sampling and review of the transactions provides a comparable level of assurance and identifies opportunities for improvement — all at less cost. Internal Audit and Advisory Services (IAAS) Recommendations: IAAS provides interested provincial public sector organizations with independent and objective audit and management review services. The resulting recommendations identify areas of greatest risk and provide specific actions to improve controls, realize new efficiencies and reduce costs. The objective of this measure is to focus on the cost savings element of IAAS work, and to show that the average annual cost savings exceed the cost of IAAS operations.					
Variance: During fiscal 2003/04, two audits identified potential savings of approximately $4.5 million each. The audit identified the potential for significant savings in telecommunication costs by aggregating requirements for network services. Rather than many small organizations arranging their own network services, savings could come from aggregating the demand into one larger client base, increasing the network size and negotiating longer-term contracts.					

Objective 3.2: Improve the government-wide responsibility and accountability framework for financial management

A shift is underway to make financial management a joint responsibility of both financial and program managers. Program managers are taking on additional accountabilities for procurement and financial decision making within their programs, so the accountability framework needs to be updated to clarify roles, responsibilities and accountabilities. This requires changes to all elements of the framework including legislation, policy and procedures, along with staff training to clarify how responsibilities have changed.

Key Strategies	Core Business Area
1. Revise management policy manuals and consolidate in an electronic form	Financial Governance Accounting and Reporting
2. Establish effective procurement governance	
3. Establish a new *Auditor General Act*	

Achievements

- A comprehensive internal review was conducted in order to streamline policies and procedures, improve performance and clarify roles, responsibilities and accountability. Government's Core Policy Manual was consolidated through focusing on the truely core policy requirements needed to achieve government's objectives and the integration of procedure with associated policy. The final manual resulted in a 70 per cent reduction in policy volume and a 54 per cent reduction in procedural volume. The complete manual is available to all staff electronically, eliminating printing costs and ensuring that the material provided is current and consistent.
- The *Financial Administration Act* was revised to incorporate a clear responsibility on the part of all government staff to report any perceived inappropriate transactions to the Comptroller General.
- Several initiatives were completed supporting the development of an effective procurement framework including the creation of a government vendor complaint review process which provides vendors with a mechanism to raise issues on government's procurement processes. Work also commenced on the creation of a comprehensive training program for procurement staff in government and a framework for monitoring and reporting on compliance with procurement policy.
- The *Auditor General Act* was passed in March 2003. This placed British Columbia in a leading edge position for this type of legislation.

Performance Measure	2001/02 Actual	2002/03 Actual	2003/04 Target	2003/04 Actual[1]	2003/04 Variance
Stakeholders' satisfaction with the policy framework for financial management	N/A	N/A	Determine Baseline	Pending	N/A
Selection Rationale: Government is transitioning from a control framework based on "command and control" to one based on performance measurement and personal accountability for results. Ensuring that the policy framework provides sufficient guidance to managers while avoiding an overly prescriptive approach is essential. Accordingly, survey results from managers and other stakeholders will provide information for improving the framework and its implementation.					

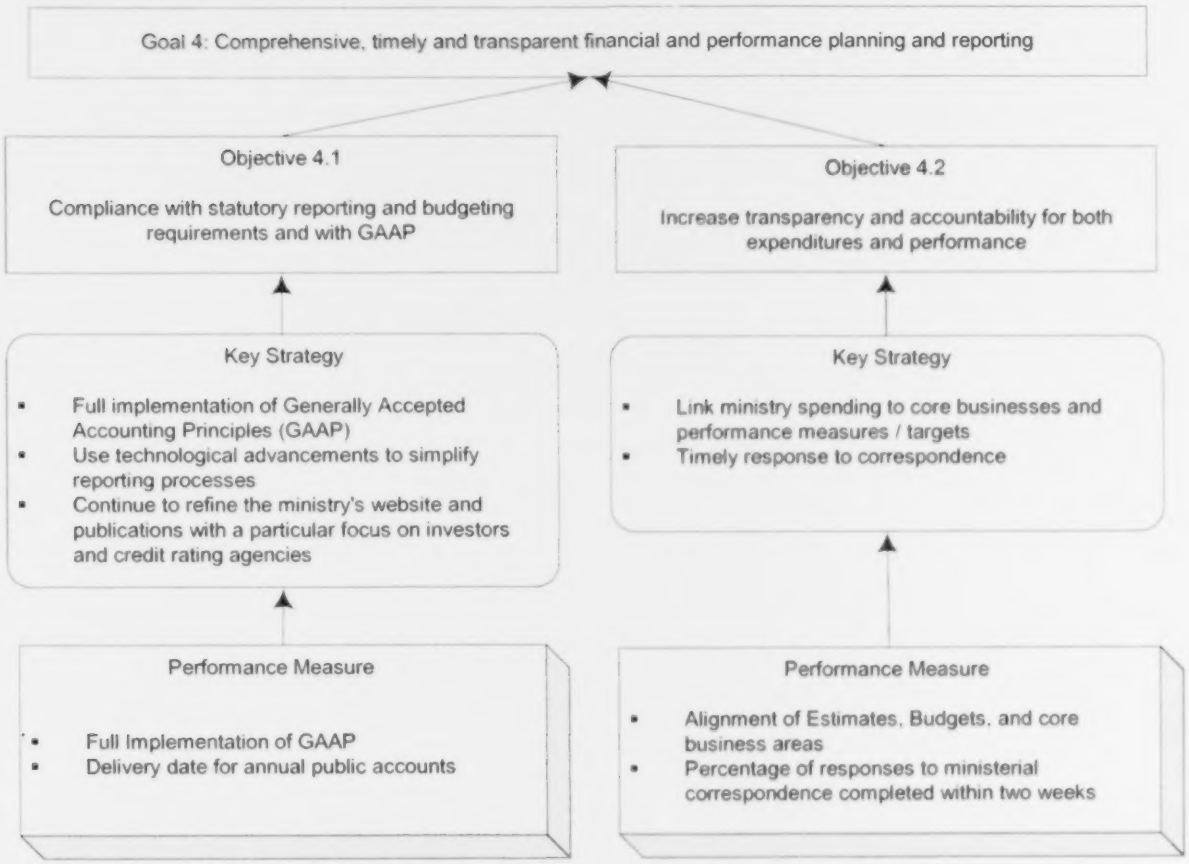
[1] This performance measure has been revised in the current *Service Plan 2004/05 – 2006/07* to include procurement governance. As a result, the scope of the measure has been increased and the results of the updated stakeholder survey will not be available until August 2004.

Goal 4: Comprehensive, timely and transparent financial and performance planning and reporting

The Government committed by legislation to fully implement Generally Accepted Accounting Principles (GAAP) by April 1, 2004. During the past year, the ministry has worked closely with its partner organizations to successfully undertake this significant shift. Full compliance with GAAP requires the preparation of timely, transparent and accurate financial information based on standards developed by the independent Public Sector Accounting Board. As a result of the progress made, British Columbia currently leads the provinces in this regard.

Effective financial planning and reporting also requires the public release of financial results and updated forecasts as compared to the budget on a quarterly and annual basis in accordance with legislated dates. These and other financial activities, including new initiatives, existing business operations and systems development, draw heavily upon the expertise and assistance of the ministry's accounting experts.

The *Budget Transparency and Accountability Act* (BTAA) also sets out requirements for service plans and annual service plan reports for all ministries and government organizations. Service plans describe the goals and objectives to be achieved and the performance measures and targets that will gauge success, with the reports providing an account of actual results. Over the course of the year, the ministry shifted away from centrally managing the service planning and reporting process for government as a whole given the substantial internal capacity and expertise that has been developed in the provincial public sector.


Goal 4: Comprehensive, timely and transparent financial and performance planning and reporting
Objective 4.1
Compliance with statutory reporting and budgeting requirements and with GAAP
Objective 4.2
Increase transparency and accountability for both expenditures and performance
Key Strategy
Full implementation of Generally Accepted Accounting Principles (GAAP)
Use technological advancements to simplify reporting processes
Continue to refine the ministry's website and publications with a particular focus on investors and credit rating agencies
Key Strategy
Link ministry spending to core businesses and performance measures / targets
Timely response to correspondence
Performance Measure
Full Implementation of GAAP
Delivery date for annual public accounts
Performance Measure
Alignment of Estimates, Budgets, and core business areas
Percentage of responses to ministerial correspondence completed within two weeks

Objective 4.1 Compliance with statutory reporting and budgeting requirements and with GAAP

Full implementation of GAAP by 2004/05 meets a legislated requirement in the *Budget Transparency and Accountability Act* and provides British Columbians and the investment community with the information they need to make informed decisions. British Columbia is the first senior provincial jurisdiction in Canada to legislate compliance with GAAP.

Key Strategies	Core Business Areas
1. Full implementation of Generally Accepted Accounting Principles (GAAP)	• Financial and Economic Performance and Analysis • Financial Governance Accounting and Reporting • Treasury
2. Use technological advancements to simplify reporting processes	
3. Continue to refine the ministry's website and publications with a particular focus on investors and credit rating agencies	

Achievements

- Established the accounting policies, training materials and reporting mechanisms necessary to support full implementation of GAAP.
- Developed the capacity and frameworks for including the SUCH sector into the government reporting entity by 2004/05. The expansion of government reporting on the SUCH sector will for the first time provide a truly comprehensive understanding of all provincial government expenditures and revenues.
- Released the 2002/03 *Public Accounts* and the *Balanced Budget and Ministerial Accountability Act* report to the public on June 27th. British Columbia was the second province to release its Audited Financial Statements for the fiscal year 2002/03.
- Completed a comprehensive review and update of Treasury's website in order to provide investors and credit rating agencies with the information they require to analyze the province's fiscal position and debt portfolio.

Performance Measure	2001/02 Actual	2002/03 Actual	2003/04 Target	2003/04 Actual	2003/04 Variance
Full Implementation of GAAP	Partial	Partial	Partial	Partial	On Track
Selection Rationale: The Ministry and the Office of the Auditor General has been involved in estimates changes and financial consolidation and reporting changes to effect full application of GAAP for 2004/05. All material aspects of GAAP's implementation including incorporation of schools, colleges, universities and health organizations were included in the 2004/05 budget tabled on February 17th, 2004.					

Performance Measure	2001/02 Actual	2002/03 Actual	2003/04 Target	2003/04 Actual	2003/04 Variance
Delivery date for annual *Public Accounts*[1]	July 11, 2002	June 27, 2003	July 15, 2004	June 29, 2004	Beat the statutory release date by 2 months and the target by 2 weeks
Selection Rationale: Timely release of financial reporting is critical for effective use of the information and helps instill public confidence in government's ability to manage its resources. The *Budget Transparency and Accountability Act* requires release of the province's financial statements (*Public Accounts*) by August 31st, following each March 31st, fiscal year end.					

[1] Note that the *Public Accounts* for the fiscal year shown are not published until 3-4 months after the end of that fiscal year. The delivery dates shown are actually in the following fiscal year. Accordingly, while the legislated date is August 31st, the release date for the 2003/04 *Public Accounts* will be June 29, 2004.

Objective 4.2 Increase transparency and accountability for both expenditures and performance

Government remains committed to demonstrating the value generated by the resources its receives from the public. Establishing the linkages between the *Estimates*, ministry budgets and the activities of related core business areas are critical for understanding the products and services public funds support. Over the past year, the ministry has played an important role in creating these linkages allowing for ongoing evaluations of program cost-effectiveness and potential opportunities for improvement.

Meaningful transparency and accountability also requires that the ministry provide members of the public with timely responses to their inquiries. Frequently, public inquires require the input of specialized areas of the ministry and all public correspondence is treated as a matter of priority.

Key Strategies	Core Business Areas
1. Link ministry spending to core businesses and performance measures/targets	• Financial and Economic Performance and Analysis • Executive and Support Services
2. Timely response to correspondence	

Achievements

- Worked with ministries to refine their core business area structure to better reflect their activities and budgeting processes.
- Conducted a review of the correspondence system to identify potential areas of improvement.

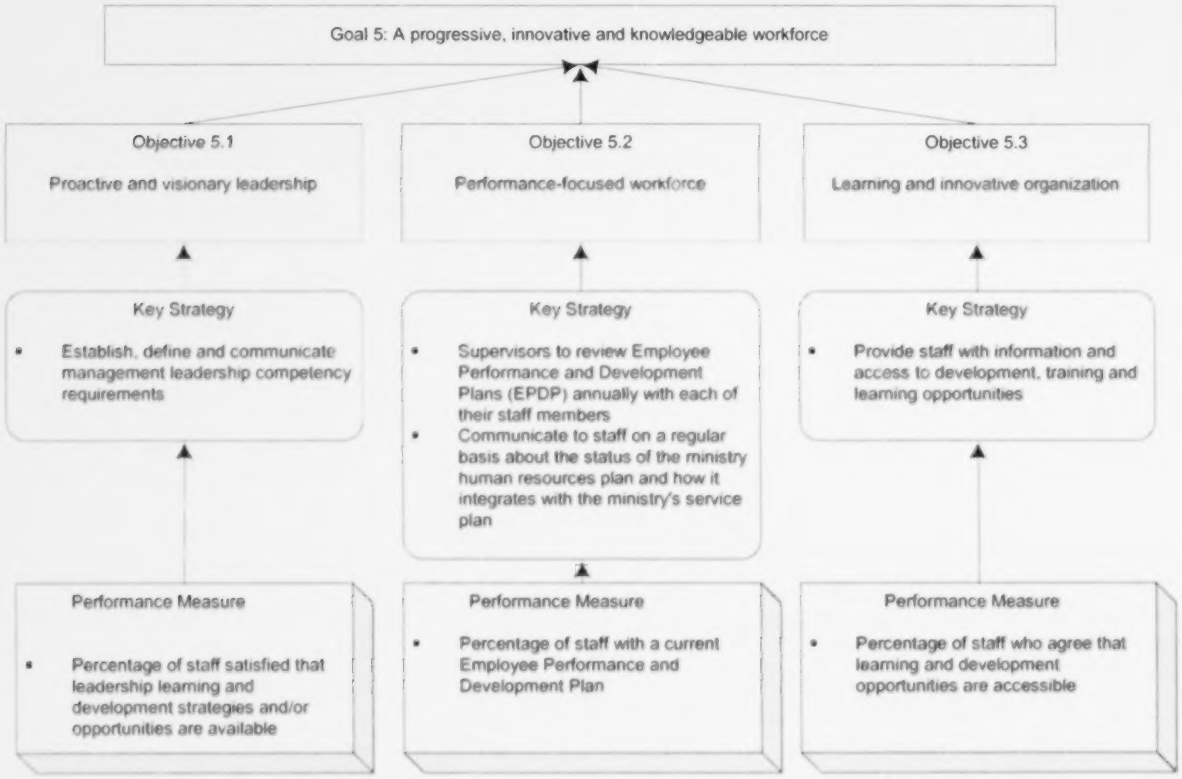
Performance Measure	2001/02 Actual	2002/03 Actual	2003/04 Target	2003/04 Actual	2003/04 Variance
Alignment of *Estimates*, Budgets, and core business areas	Varies	Varies	Substantially Aligned	Substantially Aligned	On Track
Selection Rationale: Alignment of the *Estimates* with the core business areas in ministry service plans provides a direct linkage between inputs (dollars and FTEs) and the outcomes achieved. This information is essential for ensuring the transparency and accountability for both expenditures and performance.					
Full alignment of *Estimates*, Budgets and core business areas was achieved with the release of the 2004/05 *Estimates* and ministry service plans in February 2004.					

Performance Measure	2001/02 Actual	2002/03 Actual	2003/04 Target	2003/04 Actual	2003/04 Variance
Percentage of responses to ministerial correspondence completed within two weeks	15%	40%	70%	47%	23 percentage point shortfall
Selection Rationale: Achieving the ministry standard of completing minister's correspondence within a two-week period ensures correspondents receive timely and relevant information. The Deputy Minister's office is the lead in this initiative.					
Variance: Ministry efforts to provide full and complete information in response to correspondence from the public often requires the involvement of program specialists. Given the significant number of initiatives undertaken, the ministry has been challenged during peak periods, especially at budget time, to achieve its performance target.					

Goal 5: A progressive, innovative and knowledgeable workforce

The ministry has consistently recognized its dependence upon the continued support and professionalism of our highly skilled and knowledgeable workforce. Ultimately, it is our staff who drives the quality and value of the services we provide to our clients, stakeholders and the people of British Columbia.

Since the release of our *Service Plan 2003/04 – 2005/06*, the ministry has actively pursued the objectives of both Government's *Public Sector Renewal Initiative* and those identified by our staff. Specifically, efforts have been made to identify opportunities to enhance the leadership, support and developmental opportunities members of the ministry require and deserve. The ministry's executive has worked to build upon these successes by promoting proactive and visionary leadership at all levels of the organization. Throughout the year, our workforce has demonstrated considerable commitment and professionalism pursuing ministry goals with a clear sense of purpose and pride.


Goal 5: A progressive, innovative and knowledgeable workforce
Objective 5.1
Proactive and visionary leadership
Objective 5.2
Performance-focused workforce
Objective 5.3
Learning and innovative organization
Key Strategy
• Establish, define and communicate management leadership competency requirements
Key Strategy
• Supervisors to review Employee Performance and Development Plans (EPDP) annually with each of their staff members
• Communicate to staff on a regular basis about the status of the ministry human resources plan and how it integrates with the ministry's service plan
Key Strategy
• Provide staff with information and access to development, training and learning opportunities
Performance Measure
• Percentage of staff satisfied that leadership learning and development strategies and/or opportunities are available
Performance Measure
• Percentage of staff with a current Employee Performance and Development Plan
Performance Measure
• Percentage of staff who agree that learning and development opportunities are accessible

Objective 5.1: Proactive and visionary leadership

The ministry needs to actively encourage leadership at all levels of its organization so that all members of the Finance team have the opportunity to develop their expertise and gain the necessary qualifications for whatever levels of the organization interests them. This objective recognizes that not everyone who aspires to advance in leadership roles will be successful but works to ensure that opportunities are accessible. Those individuals who aspire to leadership positions within other areas of government will also be supported to provide them with the opportunity to continue contributing to the success of the public sector at large.

Key Strategy	Core Business Area
1. Establish, define and communicate management leadership competency requirements	• All Core Business Areas

Achievements

- Created a ministry intranet hyperlink providing access to standard public sector competencies, related training materials and practical exercises.
- Encouraged staff at all levels to develop their leadership skills using a variety of tools including 360-Degree Feedback and participation in Leading the Way courses.

- Encouraged greater staff participation and input into the ministry's Human Resource Management Plan Working Group.

Performance Measure	2001/02 Actual	2002/03 Actual	2003/04 Target	2003/04 Actual	2003/04 Variance
Percentage of staff satisfied that leadership learning and development strategies and/or opportunities are available	N/A	49%	60%	55%	5 percentage point shortfall
Selection Rationale: Staff satisfaction with the leadership learning and development strategies available provides valuable insights into the ministry's success in providing these opportunities. Higher satisfaction ratings can be expected to benefit both individuals and the ministry through increased staff capacity and retention.					
Variance: The ministry's Human Resource Management Plan Working Group is exploring the cause of the shortfall. Anecdotal evidence indicates that the increased emphasis upon leadership opportunities has created unfulfilled expectations prior to a comprehensive rollout of the revised human resources plan.					

Objective 5.2: Performance-focused workforce

The goal, objectives and key strategies outlined in the ministry's annual service plan provide the basis for all of our work. Accordingly, the creation of linkages between the day-to-day activities of staff and the strategic direction of the ministry is critical for the delivery of effective and results-oriented services. Staff members have reaffirmed the importance of this effort. They have found that providing them with detailed information on how their work contributes to the success of the ministry and clarifying expected results supports greater job satisfaction and promotes organizational improvement.

Key Strategies	Core Business Area
1. Supervisors to review Employee Performance and Development Plans (EPDP) annually with each of their staff members	• All Core Business Areas
2. Communicate to staff on a regular basis about the status of the ministry human resources plan and how it integrates with the ministry's service plan	

Achievements

- Community conversation sessions and regular meetings addressing the service plan and issues of performance were held with all staff and the Deputy Minister.
- Staff EPDP resource materials and orientation workshops have been provided to most areas of the ministry.
- Monthly communiqués from the Deputy Minister featuring various components of the ministry's Human Resource Management Plan.

Performance Measure	2001/02 Actual	2002/03 Actual	2003/04 Target	2003/04 Actual	2003/04 Variance
Percentage of staff with a current Employee Performance and Development Plan	N/A	23%	Required for all excluded staff 100% of managers	67% of managers	33 percentage point shortfall
Selection Rationale: Staff EPDPs provide an important linkage between the activities of individuals and the strategic direction of their business unit and the ministry as a whole. Identifying performance expectations within EPDPs also supports greater accountability and improves communication between staff and supervisors. Finally, the EPDP exercise also provides staff with an opportunity to explore their personal growth and development objectives.					
The ministry has revised the performance target for 2004/05 to include all members of the Finance team rather than just excluded (managers) staff. During the past year the ministry has increased the percentage amongst all staff with current EDPDs to 59%.					

Objective 5.3: Learning and innovative organization

Given the pace of change in both the private and public sectors the ministry must encourage a management and operating culture that embraces new ideas and ways of doing business. Members of the ministry must be provided with opportunities to accept appropriate levels of risk, to innovate and to change. This cultural shift relies upon open communication with staff, mutual trust and the development of new skills and non-traditional learning opportunities.

Key Strategy	Core Business Area
1. Provide staff with information and access to development, training and learning opportunities	• All Core Business Areas

Achievements

- Managers and staff have worked together to clarify risk parameters within which employees can work independently and existing training programs have been refined to explore the issues of innovation and appropriate risks.
- Staff development opportunities including temporary assignments, cross training and special project team assignments have been activity pursued.

Performance Measure	2001/02 Actual	2002/03 Actual	2003/04 Target	2003/04 Actual	2003/04 Variance
Percentage of staff who agree that learning and development opportunities are accessible	N/A	66%	70%	44%	Shortfall of 26 percentage points
Selection Rationale: Providing staff with ongoing learning and development opportunities will enhance the quality of service and improve staff retention.					
Variance: A significant number of learning and development opportunities take place in the Fall — one of the ministry's busiest periods. The ministry is working with the Public Service Agency and the Leadership Center to make the opportunities available throughout the year.					

Other Program Initiatives

BC Family Bonus

The BC Family Bonus program includes the basic Family Bonus and the BC Earned Income Benefit. This program provides non-taxable amounts paid monthly to help low and modest income families with the cost of raising children under the age of 18. Benefits are based on the number of children in the family and family income. The program is administered by the Canada Revenue Agency on behalf of the province through the Canada Child Tax Benefit system. Benefits are combined with the Canada Child Tax Benefit into a single monthly payment for families.

Seismic Mitigation

The Seismic Mitigation Program was initiated to provide assistance to public agencies to improve the seismic safety of existing and future public buildings. The pilot project ended March 31, 2003 and current and future requirements are now being funded within the established annual operating and capital budgets for each agency. For example school district facilities are the responsibility of Ministry of Education and health care facilities are the responsibility of the Ministry of Health Services. Over the next three years, operating spending for non-structural and minor structural seismic upgrades to schools will be increased to $23 million by 2006/07. A further $50 million per year in capital spending will also be earmarked for major structural seismic upgrading beginning 2006/07 as part of a long-term plan.

Unclaimed Properties

The Unclaimed Properties program assists the public in locating and recovering their unclaimed financial property from both government and non-government bodies. On April 1, 2003 the ministry transferred the office to the non-profit British Columbia Unclaimed Properties Society. The first year of the transfer has been a success with considerable attention on the program, which has contributed to the recovery of $1,128,546 by 656 owners.

The Ministry of Finance has also managed the following votes on behalf of all government.

- Vote 41 — Management of Public Funds and Debt (debt servicing)

  Spending for the year was $188 million below budget primarily due to the significantly improved fiscal outlook, lower than assumed interest rates and higher than expected cash balances at the beginning of the year. Savings in this vote allowed government to advance a number of priorities in other areas such as accelerating some of the government's commitments to the funding of the 2010 Winter Olympics.

- Vote 42 — Contingencies (all ministries) and New Programs:

  Contingencies vote had a budget of $170 million for the year and of that approximately $107 million was utilized to provide funding for a number of unforeseen developments and priority initiatives. Some significant allocations that were funded from the contingencies vote during the year included trial costs within the Ministry of Attorney General for Air India, Pickton, and other cases. Other funding included unconditional grants in the Ministry of Community, Aboriginal and Women's Services, funding for the missing persons investigation in Port Coquitlam, and interest related to protected areas compensation. As a result of prudent fiscal planning and management across government the contingencies vote was underspent by $63 million for the year.

- Vote 43 — Government Restructuring (all ministries)

  The Ministry of Finance, in cooperation with the BC Public Service Agency and the BC Buildings Corporation, was responsible for overseeing the corporate restructuring fund which included a provision of $550 million over three years. Ministries had access to this funding to support their restructuring plans. Corporate funding for ministry restructuring initiatives ended on March 31, 2004.

Deregulation

The Ministry of Finance not only met, but also exceeded its 25 per cent reduction target for the deregulation initiative in 2003/04. As at March 31, 2004, the ministry realized a 31.8 per cent net reduction in regulatory requirements from June 5, 2001.

The following major projects completed in 2003/04 made a significant contribution to the ministry's success:

- amendments to the *Manufactured Home Act* and *Miscellaneous Registrations Act, 1992* and regulations to streamline Registry processes by expanding electronic service delivery;
- bringing into force the new *Business Corporations Act* and regulation, which replaced the outdated *Company Act* and regulations, to eliminate regulatory overlap, enhance efficiency, and provide greater flexibility for companies;

- streamlining of government-wide financial management and general administrative procedures, resulting in the consolidation of the Financial Administration Procedures Manual and the Core Policy Manual, renamed the Core Policy and Procedures Manual.

In 2003/04, the ministry finalized development of the new *Real Estate Services Act* and *Real Estate Development Marketing Act* which, together, will replace the *Real Estate Act* when brought into force later this year, following the development of rules and regulations to support implementation. The *Real Estate Services Act* will reduce the regulatory burden on real estate licensees, and the *Real Estate Development Marketing Act* will reduce the regulatory burden on the real estate development sector in British Columbia.

The ministry also finalized major amendments to the *Financial Institutions Act* and the *Credit Union Incorporation Act* to improve the efficiency and effectiveness of the regulation of the financial services sector. Once implemented, the real estate and financial services sector legislative projects will make a significant contribution to the ministry's regulatory reduction initiative.

Report on Resources

Resource Summary by Core Business Areas

	Estimated	Other Authorizations[1]	Total Estimated	Actual	Variance
Operating Expenses ($000)					
Financial and Economic Performance and Analysis	6,482	558	7,040	6,870	170
Financial Governance, Accounting and Reporting	7,061	—	7,061	5,830	1,231
Treasury	1	—	1	0	1
Financial and Corporate Sector Services	8,052	—	8,052	7,776	276
Public Sector Employers Council	14,812	—	14,812	14,807	5
Executive and Support Services	18,462	—	18,462	18,279	183
Total	**54,870**	**558**	**55,428**	**53,562**	**1,866**
Full-time Equivalents (FTEs)					
Financial and Economic Performance and Analysis	68	—	68	66	2
Financial Governance, Accounting and Reporting	117	—	117	112	5
Treasury	76	—	76	70	6
Financial and Corporate Sector Services	179	—	179	163	16
Public Sector Employers Council	13	—	13	13	0
Executive and Support Services	95	—	95	100	-5
Total	**548**	**—**	**548**	**524**	**24**

[1] Agreement with the Municipality of Whistler to cost share a school tax relief program.

	Estimated	Other Authorizations	Total Estimated	Actual	Variance
Ministry Capital Expenditures (CRF) ($000)					
Financial and Economic Performance and Analysis	45	—	45	0	45
Financial Governance, Accounting and Reporting	150	—	150	53	97
Treasury	1,848	—	1,848	69	1,779
Financial and Corporate Sector Services	2,754	—	2,754	2,973	-219
Public Sector Employers Council	253	—	253	174	79
Executive and Support Services	826	—	826	46	780
Total	**5,876**	**—**	**5,876**	**3,315**	**2,561**
Consolidated Capital Plan Expenditures (CCP) ($000)					
N/A	—	—	—	—	—
Total	—	—	—	—	—
Other Financing Transactions ($000)					
N/A	—	—	—	—	—
Total	—	—	—	—	—
Risk Management ($000)					
Operating Expenses	0	4,083	4,083	4,083	0
Full-Time Equivalents (FTEs)	43	—	43	42	1
Ministry Capital Expenditures (CRF)	670	—	670	376	294
Consolidated Capital Plan (CCP)	—	—	—	—	—
Other Financing Transactions	—	—	—	—	—

Appendix 1: Performance-at-a-Glance

The following table reports on the ministry's success in achieving the performance measures detailed in the *Service Plan 2003/04*. In summary, the ministry met fifteen of its performance targets, did not achieve five targets and was unable to report on one target due to a change in the measure.

Goal	Performance Measure	2003/04 Target	Was the Target Achieved?
Implementing government's three-year fiscal plan and balancing the budget beginning in 2004/05	Achieve annual targets for provincial budget	$2.3 B Deficit	✓
	Debt to GDP Ratio (Provincial ranking — Moody's)	In the Lowest 3	✓
	Debt service costs (Provincial ranking — Moody's)	2nd Lowest	✓
	Provincial credit rating (Moody's)	Aa2	✓
	Compensation cost changes over 2002/03 compensation base	0	✓
	Days lost due to labour disruption in the BC Public Sector	+/- 10% of Canadian Average days lost	✓
Creating a tax and regulatory climate that stimulates economic growth	Provincial ranking of personal income tax rates for the bottom two tax brackets	Lowest	✓
	Provincial ranking of the top personal marginal tax rate	In the Lowest 3	✓
	Number of regulatory requirements (2004/05 target is a 1/3 reduction from 2001/02 baseline)	31,000 (-25%)	✓
	Per cent annual growth in business registrations	5% (51,205)	✓
	Percentage of company incorporations and registrations filed electronically	85%	84.1%

Goal	Performance Measure	2003/04 Target	Was the Target Achieved?
Effective and efficient financial and risk management	Annual savings from self-insurance (5 year rolling average)	$32.1 Million	✓
	Potential average annual benefits realized from utilizing a risk-based approach for post-payment monitoring of expenditures and by management implementing Internal Audit and Advisory Services recommendations	$5.2 Million	✓
	Stakeholders' satisfaction with the policy framework for financial management	Determine Baseline	N/A
Comprehensive, timely and transparent financial and performance planning and reporting	Full implementation of GAAP	Partial	✓
	Delivery date for annual *Public Accounts*	July 15th	✓
	Alignment of *Estimates*, Budgets, and core business areas	Substantially Aligned	✓
	Percentage of responses to ministerial correspondence completed within two weeks	70%	47%
A progressive, innovative and knowledgeable workforce	Percentage of staff satisfied that leadership learning and development strategies and/or opportunities are available	60%	55%
	Percentage of staff with a current Employee Performance and Development Plan	Required for all excluded staff 100% of managers	67% of managers
	Percentage of staff who agree that learning and development opportunities are accessible	70%	44%

Appendix 2: Statutory Responsibilities

- *Auditor General Act*
- *Balanced Budget and Ministerial Accountability Act*
- *Bonding Act*
- *Budget Transparency and Accountability Act*
- *Business Corporations Act*
- *Capital Financing Authority Repeal and Debt Restructuring Act*
- *Community Services Labour Relations Act*
- *Constitution Act*, ss. 25 - 27
- *Cooperative Association Act*
- *Credit Union Incorporation Act*
- *Creditor Assistance Act*
- *Financial Administration Act*
- *Financial Information Act*
- *Financial Institutions Act*
- *Industrial Development Act*
- *Insurance Act*
- *Insurance (Captive Company) Act*
- *Insurance (Marine) Act*
- *International Financial Business Act*
- *Manufactured Home Act*
- *Medical and Health Care Services Special Account Act*
- *Ministry of Consumer and Corporate Affairs Act*, ss. 3, 4 (a)
- *Ministry of Intergovernmental Relations Act*, s. 3
- *Miscellaneous Registrations Act, 1992*
- *Mortgage Brokers Act*
- *Pacific North Coast Native Cooperative Act*
- *Partnership Act*
- *Pension Agreement Act*
- *Pension Benefits Standards Act*
- *Pension Fund Societies Act*
- *Personal Property Security Act*
- *Probate Fee Act*
- *Public Education Labour Relations Act*
- *Public Education Support Staff Collective Bargaining Assistance Act*
- *Public Sector Employers Act*

- *Public Sector Pension Plans Act*
- *Public Works Agreement Act*
- *Real Estate Act*
- *Repairers Lien Act*
- *Society Act*
- *Strata Property Act*
- *Tax and Consumer Rate Freeze Act*
- *Tugboat Worker Lien Act*
- *Unclaimed Property Act*
- *Warehouse Lien Act*
- *Warehouse Receipt Act*
- *Woodworker Lien Act*

Appendix 3: Supplementary Performance Information

The Ministry of Finance remains committed to reporting on our progress in achieving the intended results detailed in our service plan. In identifying specific performance measures the ministry has worked to ensure that the data is accurate, comprehensive, timely and transparent. While the performance information is selected with these attributes in mind several limitations can exist including issues of:

- **Frequency:** A number of data sources particularly those external to the ministry can offer independent benchmark information. However, these sources may not be available on the same reporting cycle as required for the service plan and service report. An estimate based on the historical trend for the previous period is provided for those selected measures where the actual figures are not immediately available.
  - — Example: Debt service costs (Provincial ranking — Moody's)
- **Consistency:** Data collected may vary considerably due to the influence of a number of factors that are beyond the ministry's control. In these instances readers can receive a more accurate impression of organizational performance by looking at the ministry's performance as a trend over several years.
  - — Example: Potential average annual benefits realized from utilizing a risk-based approach for post-payment monitoring of expenditures and by management implementing Internal Audit and Advisory Services recommendations
- **Cost-effectiveness:** Some measures cannot be collected cost-effectively relative to the value that they would provide to improved decision-making or accountability. These instances are monitored and efforts are made to adjust future business practices to assist in their collection.

As part of the Ministry of Finance's commitment to transparency and accountability detailed performance measure methodologies have been provided which explore the rationale for each measure as well as data sources, calculations and limitations and other key information. The complete performance methodology is available at: http://www.fin.gov.bc.ca/serviceplanreport/2003-04/pmeth.htm